

LASSEN COUNTY ECONOMIC FORECAST

Lassen County is one of the northernmost counties in California. It is approximately the same size as the state of Connecticut. The county's name was derived from Mount Lassen, which is actually in neighboring Shasta County. Lassen County has a population of 33,000 people and a total of 10,000 wage and salary jobs. The per capita income in Lassen County is \$34,273 and the average salary per worker is \$60,489.

The largest employers in the county are public institutions; 60 percent of all jobs in the county are in the public sector. The penitentiaries and correctional institutions in Susanville account for a large portion of these jobs. They employ more than 2,500 people and house approximately 10,000 inmates.

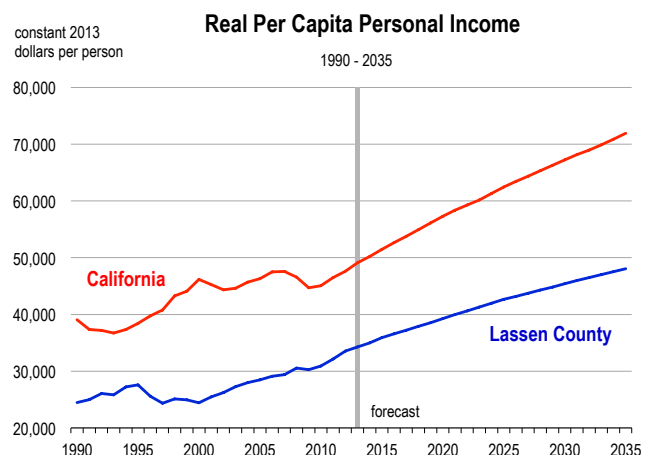
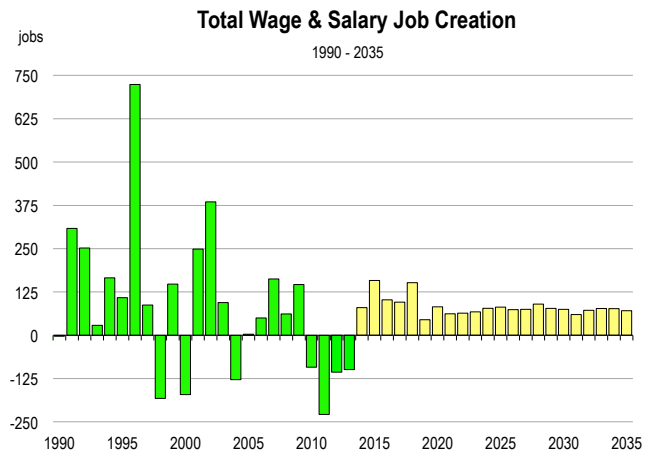
In 2013, a total of 100 wage and salary jobs were lost in Lassen County, representing a decline of 1.0 percent. This was the fourth consecutive year of job losses. The farm sector grew by 1.3 percent, whereas the non-farm sector declined by 1.1 percent. However, despite overall job losses, the unemployment rate improved from 12.5 percent in 2012 to 10.8 percent in 2013.

Over the course of 2013, results were mixed across the major industry sectors. The largest increases were observed in professional and business services (+30 jobs), leisure and hospitality (+30 jobs), mining and natural resources (+30 jobs), information (+10 jobs), and agriculture (+10 jobs). The largest losses were in government (-190 jobs) and wholesale and retail trade (-20 jobs).

Between 2008 and 2013, the population of Lassen County declined by 1.4 percent per year. This decline was largely the result of out-migration, as an average of 660 net migrants left the county each year. In addition, because of an aging population, the natural increase (new births) was relatively low, adding only 78 individuals per year.

FORECAST HIGHLIGHTS

- Total wage and salary employment is expected to increase by 0.8 percent in 2014. Over the 2014-2019 period, growth is expected to average 1.1 percent per year.
- Average salaries are currently below the California state average, and will remain so over the forecast period. In Lassen County, inflation-adjusted salaries are expected to rise by an average of 1.4 percent per year between 2014 and 2019.
- Between 2014 and 2019, the largest job gains will be observed in government, education and healthcare, construction, and professional and business services. Combined, these sectors will account for 79 percent of net job creation in the county.

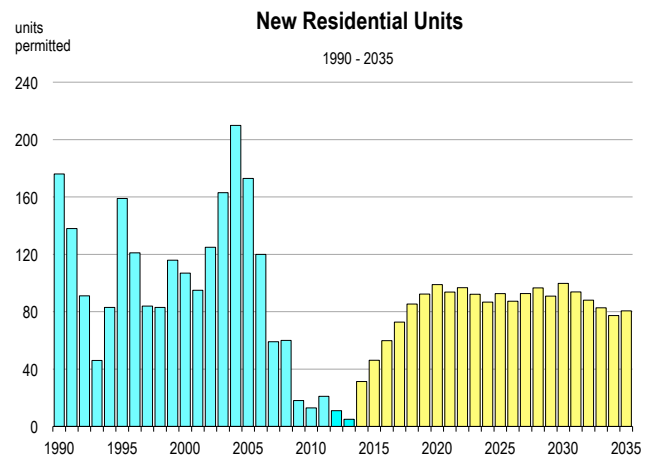
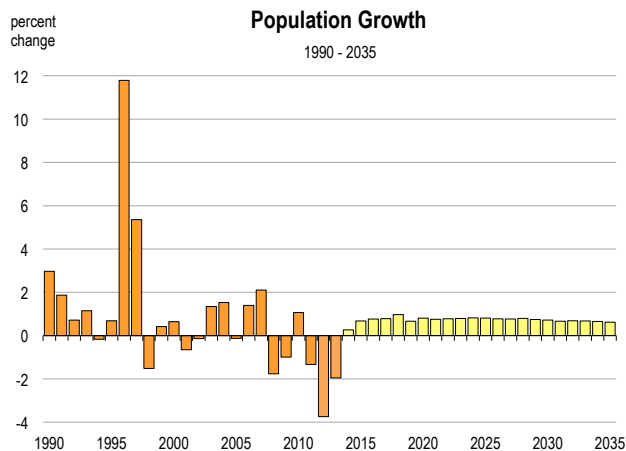


- Population growth will be moderate over the forecast period. Between 2014 and 2019, the population will increase by 0.8 percent per year.
- In 2014, net migration will largely be flat, but higher levels of in-migration will resume in 2015. Over the 2014-2019 period, an average of 190 net migrants will enter the county each year, accounting for 74 percent of population growth.
- Real per capita income is forecasted to increase by 2.0 percent in 2014. Subsequent increases will be relatively steady, and over the entire 2014-2019, growth will average 2.0 percent per year.
- Over the next five years, inflation-adjusted taxable sales are expected to increase at an average rate of 3.1 percent per year.
- Industrial production is forecasted to increase by 2.1 percent in 2014. Growth will then accelerate, averaging 3.9 percent per year between 2014 and 2019.

Lassen County Economic Forecast

2006-2013 History, 2014-2040 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (millions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2006	35,011	393	37.7	10.0	120	\$286.5	\$0.87	\$29,093	3.2	85.7	128.0	7.9
2007	35,749	655	37.9	10.1	59	\$279.9	\$0.93	\$29,387	3.4	74.4	117.7	8.2
2008	35,120	-753	37.6	10.1	60	\$260.1	\$0.97	\$30,529	2.9	100.5	122.1	9.5
2009	34,773	-474	37.5	10.1	18	\$221.5	\$0.96	\$30,279	0.8	75.4	68.8	12.6
2010	35,145	-179	37.1	10.1	13	\$219.5	\$1.01	\$30,905	1.3	80.3	69.0	14.2
2011	34,676	-569	36.4	10.1	21	\$234.6	\$1.06	\$32,126	2.7	106.8	72.2	13.5
2012	33,378	-1,361	35.2	10.1	11	\$241.9	\$1.10	\$33,563	2.7	103.9	64.5	12.5
2013	32,726	-719	35.7	10.1	5	\$249.2	\$1.12	\$34,273	2.3	106.7	82.0	10.8
2014	32,813	15	35.8	10.1	31	\$264.1	\$1.18	\$34,971	2.8	109.7	83.7	9.8
2015	33,035	153	36.0	10.1	46	\$283.9	\$1.26	\$35,900	3.3	108.9	86.9	9.0
2016	33,288	177	36.2	10.1	60	\$302.9	\$1.33	\$36,590	3.2	112.2	90.0	8.1
2017	33,548	193	36.4	10.2	73	\$318.2	\$1.40	\$37,207	2.4	114.7	93.3	7.7
2018	33,874	259	36.7	10.2	85	\$334.9	\$1.47	\$37,906	2.3	117.2	97.0	7.6
2019	34,099	163	36.9	10.3	92	\$351.2	\$1.54	\$38,547	2.4	120.3	101.1	7.5
2020	34,374	216	37.1	10.3	99	\$368.6	\$1.62	\$39,280	2.3	118.8	105.5	7.4
2021	34,633	203	37.4	10.4	94	\$386.2	\$1.70	\$39,984	2.5	116.3	108.9	7.4
2022	34,903	214	37.6	10.5	97	\$403.8	\$1.79	\$40,637	2.6	120.3	112.2	7.3
2023	35,179	220	37.9	10.5	92	\$422.1	\$1.88	\$41,297	2.5	123.4	115.8	7.3
2024	35,467	231	38.1	10.6	87	\$441.3	\$1.97	\$41,976	2.5	127.2	119.3	7.3
2025	35,754	232	38.3	10.7	93	\$461.0	\$2.07	\$42,643	2.5	130.2	123.0	7.3
2026	36,031	225	38.6	10.7	87	\$480.1	\$2.17	\$43,198	2.5	131.6	126.9	7.3
2027	36,308	226	38.8	10.8	93	\$500.2	\$2.27	\$43,750	2.5	132.4	131.0	7.3
2028	36,597	241	39.1	10.8	97	\$521.2	\$2.37	\$44,284	2.5	134.5	135.6	7.3
2029	36,869	226	39.3	10.9	91	\$542.8	\$2.48	\$44,834	2.5	135.9	140.5	7.3
2030	37,134	221	39.6	11.0	100	\$565.8	\$2.59	\$45,414	2.5	133.8	145.5	7.2
2031	37,381	205	39.8	11.0	94	\$589.9	\$2.71	\$45,976	2.5	131.6	150.7	7.2
2032	37,637	217	40.0	11.1	88	\$614.7	\$2.82	\$46,502	2.5	136.6	156.0	7.1
2033	37,892	217	40.3	11.2	83	\$639.9	\$2.94	\$47,005	2.5	140.7	161.4	7.2
2034	38,139	213	40.5	11.2	77	\$666.0	\$3.07	\$47,547	2.5	144.0	166.8	7.2
2035	38,376	204	40.8	11.3	81	\$692.4	\$3.20	\$48,074	2.5	144.7	172.3	7.2
2036	38,620	214	41.0	11.3	81	\$719.9	\$3.34	\$48,636	2.5	149.8	178.1	7.2
2037	38,853	205	41.3	11.4	76	\$748.3	\$3.49	\$49,233	2.5	152.3	184.0	7.2
2038	39,065	187	41.5	11.4	70	\$776.9	\$3.64	\$49,802	2.5	148.6	189.9	7.2
2039	39,286	199	41.7	11.5	64	\$806.5	\$3.79	\$50,397	2.5	151.7	196.0	7.1
2040	39,503	197	42.0	11.5	59	\$837.0	\$3.96	\$51,002	2.5	154.2	202.5	7.1

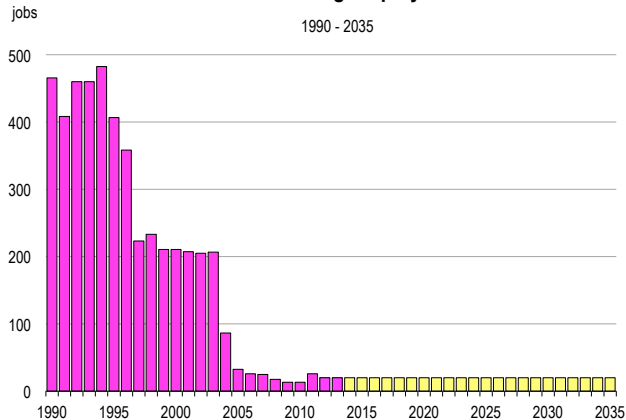


Lassen County Employment Forecast

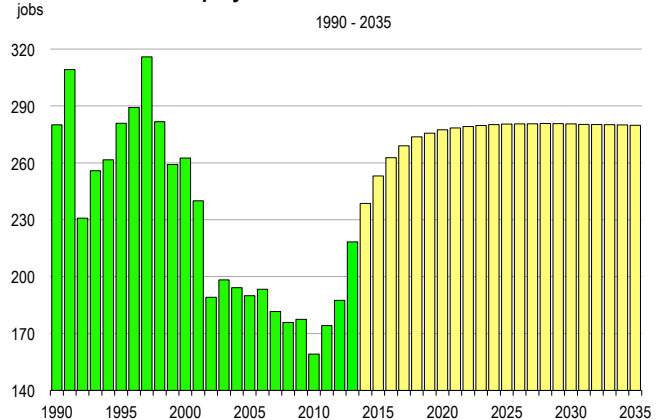
2006-2013 History, 2014-2040 Forecast

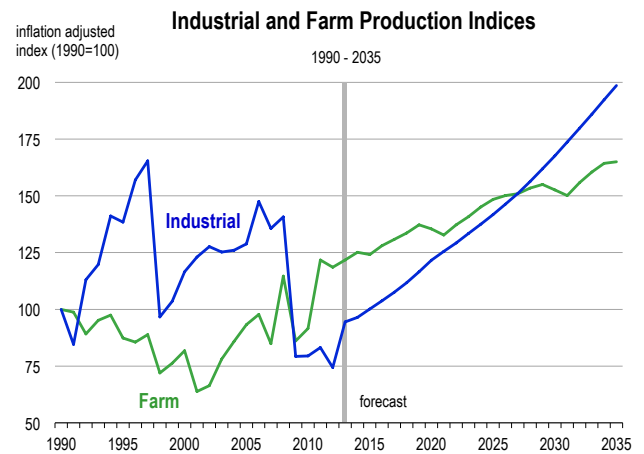
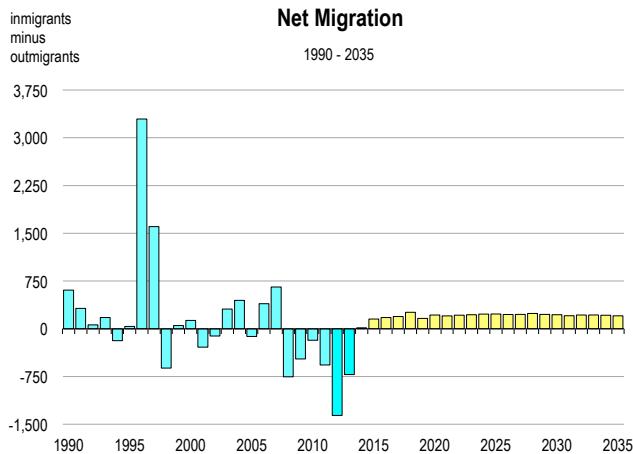
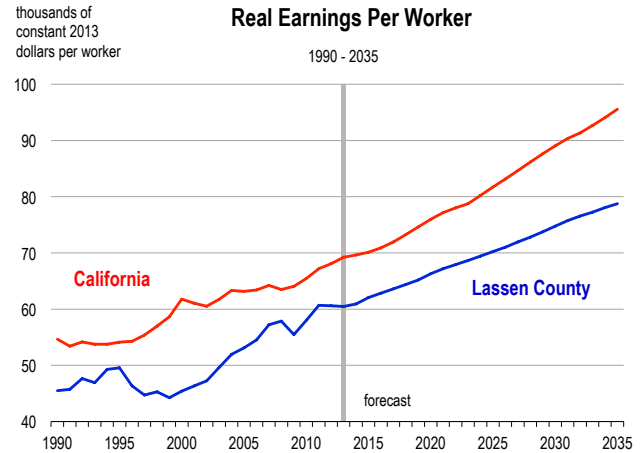
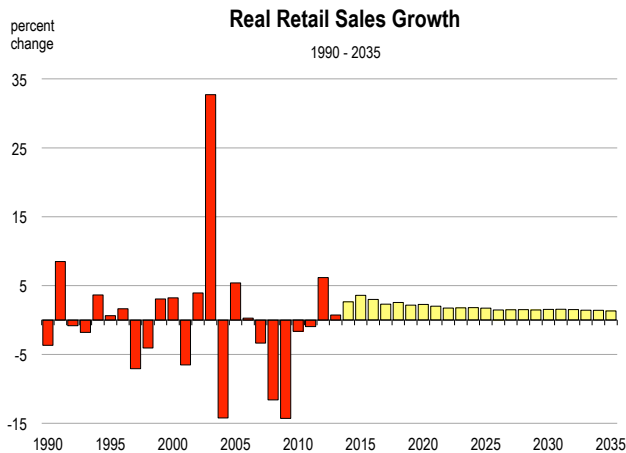
	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
2006	10.26	0.40	0.29	0.03	0.16	1.00	0.17	0.19	0.12	0.87	0.74	6.02
2007	10.42	0.41	0.23	0.03	0.15	1.06	0.17	0.18	0.13	0.86	0.71	6.22
2008	10.49	0.42	0.17	0.02	0.15	1.03	0.18	0.18	0.13	0.90	0.60	6.44
2009	10.63	0.47	0.12	0.01	0.11	0.98	0.16	0.18	0.11	1.01	0.60	6.64
2010	10.54	0.44	0.10	0.01	0.10	0.91	0.15	0.16	0.09	0.97	0.62	6.73
2011	10.31	0.56	0.10	0.03	0.09	0.86	0.14	0.17	0.08	0.99	0.61	6.47
2012	10.21	0.73	0.09	0.02	0.07	0.88	0.15	0.19	0.08	0.94	0.58	6.27
2013	10.11	0.74	0.09	0.02	0.07	0.86	0.15	0.22	0.09	0.93	0.61	6.09
2014	10.19	0.74	0.11	0.02	0.07	0.88	0.15	0.24	0.09	0.97	0.63	6.05
2015	10.34	0.74	0.13	0.02	0.07	0.88	0.15	0.25	0.09	1.00	0.63	6.12
2016	10.45	0.75	0.14	0.02	0.08	0.89	0.15	0.26	0.09	1.02	0.64	6.15
2017	10.54	0.75	0.15	0.02	0.08	0.89	0.16	0.27	0.10	1.04	0.65	6.18
2018	10.69	0.75	0.16	0.02	0.09	0.89	0.16	0.27	0.10	1.06	0.65	6.28
2019	10.74	0.76	0.17	0.02	0.09	0.89	0.16	0.28	0.10	1.08	0.66	6.28
2020	10.82	0.76	0.18	0.02	0.10	0.90	0.16	0.28	0.10	1.10	0.66	6.32
2021	10.88	0.75	0.18	0.02	0.10	0.90	0.16	0.28	0.10	1.12	0.66	6.36
2022	10.95	0.76	0.18	0.02	0.11	0.90	0.16	0.28	0.10	1.13	0.66	6.38
2023	11.01	0.77	0.18	0.02	0.12	0.90	0.16	0.28	0.10	1.15	0.66	6.42
2024	11.09	0.77	0.17	0.02	0.12	0.90	0.17	0.28	0.10	1.17	0.66	6.46
2025	11.17	0.78	0.17	0.02	0.13	0.91	0.17	0.28	0.10	1.18	0.66	6.51
2026	11.25	0.78	0.17	0.02	0.13	0.91	0.17	0.28	0.10	1.20	0.66	6.55
2027	11.32	0.78	0.17	0.02	0.14	0.91	0.17	0.28	0.10	1.21	0.66	6.60
2028	11.41	0.79	0.18	0.02	0.15	0.91	0.17	0.28	0.10	1.23	0.66	6.66
2029	11.49	0.79	0.18	0.02	0.15	0.91	0.17	0.28	0.10	1.24	0.66	6.71
2030	11.56	0.79	0.18	0.02	0.16	0.92	0.17	0.28	0.10	1.26	0.66	6.76
2031	11.62	0.78	0.18	0.02	0.16	0.92	0.17	0.28	0.10	1.27	0.66	6.80
2032	11.69	0.79	0.18	0.02	0.17	0.92	0.17	0.28	0.10	1.28	0.66	6.83
2033	11.77	0.80	0.17	0.02	0.17	0.92	0.17	0.28	0.10	1.30	0.66	6.88
2034	11.85	0.81	0.17	0.02	0.18	0.92	0.17	0.28	0.10	1.31	0.67	6.93
2035	11.92	0.81	0.17	0.02	0.18	0.92	0.18	0.28	0.10	1.33	0.67	6.97
2036	12.00	0.82	0.17	0.02	0.19	0.93	0.18	0.28	0.10	1.34	0.67	7.02
2037	12.08	0.82	0.17	0.02	0.19	0.93	0.18	0.28	0.10	1.36	0.67	7.07
2038	12.14	0.82	0.17	0.02	0.20	0.93	0.18	0.28	0.10	1.37	0.67	7.12
2039	12.22	0.82	0.16	0.02	0.20	0.93	0.18	0.28	0.10	1.39	0.67	7.16
2040	12.29	0.83	0.16	0.02	0.21	0.93	0.18	0.28	0.10	1.40	0.67	7.21

Manufacturing Employment



Employment in Professional Services





County Economic and Demographic Indicators

Projected Economic Growth (2014-2019)

Expected retail sales growth:	14.3%
Expected job growth:	5.4%
Fastest growing jobs sector:	Construction
Expected personal income growth:	14.6%

Expected population growth:	3.9%
Net migration to account for:	73.5%
Expected growth in number of vehicles:	3.1%

Demographics (2014)

Unemployment rate (April 2014):	10.2%
County rank* in California (58 counties):	37th
Working age (16-64) population:	73.9%

Population with B.A. degree or higher:	12.6%
Median home selling price (2013):	\$105,000
Median household income:	\$54,877

Quality of Life

Violent crime rate (2012):	395 per 100,000 persons
County rank* in California (58 counties):	32nd
Average commute time to work (2014):	19.4 minutes

High School drop out rate (2012):	15.4%
Households at/below poverty line (2014):	8.6%

* The county ranked 1st corresponds to the lowest rate in California